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24 June 1962

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Implications of a US approach to the Chinese Communists cautioning them against an attack on the offshore islands, and informing them that the US has no intention of supporting an attack by Chinese Nationalists against the mainland under present circumstances.

Effect on the Chinese Nationalists

1. The Chinese Nationalists have of course been aware that the US has over the last several years publicly and privately urged the Chinese Communists to agree that force not be used by either side to change the existing situation in the Taiwan Strait area. They should not, therefore, consider that renewed representations to the Chinese Communists along these lines constituted a new departure in US policy.
2. Nevertheless Chiang and his associates would be profoundly disappointed to hear that such representations were being made at this time. The present (or the near future) seems to them to be a time of excellent opportunity for a return to the mainland -- an opportunity which has been long and

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anxiously awaited, and for which they have made considerable effort to prepare special forces. Many top Nationalist leaders believe this is the Kuomintang's last and best chance to begin a return to power by sparking widespread uprising in selected mainland areas. Whether justifiably or not they have hoped and perhaps expected that the US would, when the time was ripe, support them in such a move. These hopes appear to have been particularly strong in recent months.

3. The Chinese Nationalist reaction, on hearing of the US representation to the Chinese Communists, would depend greatly on how they heard this news, and especially on what they understood to be the true US position. It is not certain that they would conclude that the US had definitely decided not to support their return to the mainland. In the past they have shown a great capacity to retain their hopes even after most severe disappointments; conceivably they might do so again. However, they would be shaken to hear any public avowal of US intention not to support them, and dismayed to learn that the US was in communication with their enemies at this particular juncture of affairs. They would be intensely suspicious that a deal might be made behind their backs preventing their return for the indefinite future.

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4. If Chiang and his associates should be convinced, from the terms and manner in which US policy was disclosed to them, that the US will never support their return, their reaction would be sharp. There would be a violent emotional outburst of bitterness and anti-Americanism among the governing Chinese, accompanied by a substantial deterioration of relationships with the US. Cooperation in political, military and intelligence areas might be severely reduced. The effect would be worst of all if Chiang derived his knowledge of the US approach to the Communists through information from non-US sources.

5. We think that in this situation there is some chance that the Nationalist leaders would decide to attack the mainland without US approval or support, hoping that, in the last analysis, the US would be unable to allow the Nationalist forces to suffer a serious defeat, and so would come to their assistance.

6. A final conviction that the US would never support a return to the mainland might lead to a political convulsion on Taiwan culminating in a complete transformation of the leadership. It is extremely unlikely that the Nationalist leaders, or any substantial element of their followers, would accommodate to the Communists, especially in the present dire condition of Communist China. But principal leaders might withdraw from the

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administration and leave the island if they were able. It would be very difficult to reconstitute an administration on Taiwan which would in effect renounce Nationalist claims for return to the mainland in return for US protection on the island. To create such an administration would probably require a heavy involvement of the US in political affairs in Taiwan. In time it is possible that a stable government could be reestablished on Taiwan. But it would obviously be a government with an altered international standing, with interests and prospects confined to Taiwan itself. The US would find it increasingly difficult to contend in the UN that such a regime was the legitimate government of China.

Effect on the Chinese Communists

7. There is no doubt that the Chinese Communists have sufficient reason to take seriously the possibility of incursions by Nationalist forces in the coming months. They probably believe that the US is encouraging preparations for such operations, and will give support when the time comes. During the last few days they have conveyed this opinion both in propaganda and in diplomatic exchange, and it probably represents, to a considerable degree, their actual views. On the other hand, though they do not doubt that the US would defend Taiwan itself, they are probably somewhat uncertain about whether the

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US would, with its own forces, oppose an attack by them upon the offshore islands.

8. In his conversation with Ambassador Cabot in Warsaw on 23 June Ambassador Wang attempted to find out what he could about current US intentions. US intentions in the event of a Communist attack on the offshore islands must remain ambiguous to him, but at least he learned that the present administration stands by the 1955 Formosa resolution. As for US support of a Nationalist attack on the mainland, we doubt that anything the US could say, either publicly or privately, would altogether convince the Chinese Communists that no such support would be given, even if the US desired to convey such a conviction. Nevertheless, the conversation must at least have convinced Ambassador Wang that the risks of attacking the offshore islands were as great in 1962 as they had been in 1958, and that a US-supported Nationalist attack on the mainland was not a certainty. Together with the other approaches in London and (to the Soviets) in Washington it could help prevent gross miscalculation of US intentions.

9. In the past the Chinese Communists have occasionally tried to persuade leading Nationalists that the US was an untrustworthy ally, and its support not to be counted on.

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Possibly they will try this again, representing that the US has privately assured them, behind the Nationalists' back, that it will not in any circumstances help a Nationalist attempt on the mainland.

ABBOT SMITH
Acting Chairman
Board of National Estimates